

## Internal Revenue Service

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## Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:CORP:B03

PLR-126094-12

Date:

September 12, 2012

Parent =

Subsidiary =

State X =

State Y =

Year 1 =

Year 2 =

Year 3 =

Year 4 =

Year 7 =

Year 8 =

Year 11 =

Dear :

We reply to your letter dated June 15, 2012, requesting that we determine the correct filing status for Subsidiary for taxable Year 11.

Subsidiary, a State X corporation, is wholly owned by Parent, a State Y corporation. Parent filed consolidated income tax returns on behalf of its affiliated group, which included Subsidiary, for taxable Years 1, 2, and 3. Beginning in Year 4, Subsidiary was a tax exempt entity under section 501(c)(15) of the Internal Revenue Code. Consequently, Subsidiary was not eligible to be a member of the Parent consolidated group and began filing separate returns.

In Year 7, the Governor of State Y repealed Parent's corporate charter because Parent failed to pay State taxes. Furthermore, by Year 7, Parent held no assets, ceased all business activities, had no corporate officers, had no gross income, and had discontinued filing federal income tax returns. In Year 8, due to a legislative amendment to the Code, Subsidiary no longer qualified as a tax exempt entity under section 501(c)(15). Subsidiary continued to file separate returns.

Based solely on the facts and information submitted, we rule that Subsidiary must file a separate return for taxable Year 11.

The ruling contained in this letter is based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representatives.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by

attaching a statement to their return that provides the date and control number of the letter ruling.

Sincerely,

Filiz A. Serbes  
Filiz A. Serbes  
Branch Chief, Branch 3  
Office of Associate Chief Counsel (Corporate)

cc: